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PSC BEGINS ENFORCEMENT ACTION AGAINST ALLEGED CRAMMERS

The state Public Service Commission has begun enforcement action against two companies that the PSC alleges billed questionable collect call charges to hundreds of Montana consumers in the last few months. In an order to show cause issued last week, the PSC gave the companies 20 days to request a hearing to show why they should not be penalized for the alleged “cramming,” which is the placement of charges on phone bills for unauthorized products or services.

According to a PSC staff investigation, Florida-based American Internet placed collect calls to Montana businesses for the purpose of offering them directory listings on the Internet. If the call recipient pressed “1” to accept the call as directed by a recorded voice at the beginning of the call, then a live American Internet representative would come on the line to obtain or confirm the business’ address and telephone number information for the directory listing. The business would subsequently be billed on its phone bill by a company called Innovative Calling Technologies a charge of \$10.17 for a three-minute collect call from Panama City, Florida.

The PSC received three consumer complaints from consumers who disputed payment of the charges, but upon investigation of the billing practice, PSC staff discovered that 725 Montanans had been billed this charge between October 1999 and mid-January of this year.

Under a law passed by the 1999 legislature, if the PSC finds, after a hearing, that a company placed charges for unauthorized services on a consumer’s phone bill, then the PSC may order refunds or credits to be issued to all the affected customers and could fine the company up to \$1,000 per incident. In addition, the PSC may notify the secretary of state to revoke the company’s license to do business in the state.

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